Supreme Court, U.S.
FILED
94 706 OCT 12 1994
OFFICE OF THE CLERK
94-

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1994

WHITE SWAN, LTD.,
Petitioner,

v.

THE NATURE COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

J. Pierre Kolisch
Counsel of Record
David P. Cooper
Charles H. DeVoe
KOLISCH HARTWELL DICKINSON
McCORMACK & HEUSER
200 Pacific Building
520 S.W. Yamhill Street
Portland, OR 97204
(503) 224-6655
Attorneys for Petitioner
White Swan, Ltd.

October 12, 1994

QUESTIONS PRESENTED

1. Is it permissible for a court of appeals in determining whether summary judgment was appropriate to review the district court's finding of a genuine issue of material fact under the clearly erroneous standard?

2. Is summary judgment for a defendant permissible under the fair use defense against an incontestable trademark, 15 USC § 1115(b)(4), where in opposition to the motion genuine issues of material fact are raised as to how the defendant uses the charged term, including whether the use is descriptive, otherwise than as a mark, fair and in good faith?

PARTIES TO THE PROCEEDING

All parties to the proceeding in the court of appeals are identified in the caption. Pursuant to Supreme Court Rule 29.1, petitioner states there are no parent or subsidiary companies of White Swan, Ltd. to be listed.

TABLE OF CONTENTS

QUESTIONS PRESENTED i

PARTIES TO THE PROCEEDING ii

TABLE OF AUTHORITIES v

I. OPINIONS BELOW 1

II. JURISDICTION 2

III. STATUTES INVOLVED 2

IV. STATEMENT OF THE CASE 2

V. REASONS FOR GRANTING THE PETITION 5

A. This Case Raises Fundamental Questions With Respect to Summary Judgment Under the Federal Rules of Civil Procedure and Application of the Fair Use Defense Against an Incontestable Trademark Under the Lanham Act 5

1. Conflict of Circuits in Interpretation of Rule 56 of the Federal Rules of Civil Procedure. . . 6

2. Conflict of Circuits in Interpretation of the Fair Use Defense of Section 33 of the Lanham Act. 9

CONCLUSION 12

TABLE OF CONTENTS (cont'd)

APPENDIX

MEMORANDUM of the court of appeals . 1a

OPINION of the district court . . .17a

Fed.R.Civ.P. 56(c) 32a

15 USC § 1052(f) 33a

15 USC § 1065 . . . . . .34a

15 USC § 1115(b)(4) 35a

TABLE OF AUTHORITIES

Page(s)

Cases

Beer Nuts, Inc. v. Clover Club Foods Co., 711 F.2d 934 (10th Cir. 1983) 11

Connors v. Incoal, Inc., 995 F.2d 245 (D.C. Cir. 1993) 8, 9

Eastman Kodak Co. v. Image Technical Services, Inc., 112 S.Ct. 2072 (1992) 6, 7

Institute for Scientific Information, Inc. v. Gordon and Breach, Science Publishers, Inc., 931 F.2d 1002 (3rd Cir. 1991), *cert. denied*, 112 S.Ct. 302 (1991) . . 11

Jurcev v. Central Community Hosp., 7 F.3d 618 (7th Cir. 1993), *cert. denied*, 114 S.Ct. 1830 (1994) 8

Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189 (1985) 6, 10

Rosen v. Bezner, 996 F.2d 1527 (3rd Cir. 1993) 7, 8

TABLE OF AUTHORITIES (cont'd)

Page(s)

Sabine River Authority v. U.S. Dept. of Interior, 951 F.2d 669 (5th Cir. 1992), *cert. denied*, 113 S.Ct. 75 (1992) . . . 8

Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947 (7th Cir. 1992), *cert. denied*, 113 S.Ct. 1879 (1993) . 11

Schafer Co. v. Innco Management Corp., 27 USPQ2d 1239 (4th Cir. 1993) 11

Southward v. South Cent. Ready Mix Supply Corp., 7 F.3d 487 (6th Cir. 1993) 8

U. S. v. Diebold, Inc., 369 U.S. 654 (1962) 6, 7

TABLE OF AUTHORITIES (cont'd)

Page(s)

Rules and Statutes

15 USC § 1051 *et seq*. 2

15 USC § 1052 2

15 USC § 1052(f) 9

15 USC § 1065 . . . . . 2, 9

15 USC § 1115 2

15 USC § 1115(b)(4) . . . . . i, 5, 9, 10

15 USC § 1121 2

28 USC § 1254(1) 2

28 USC § 1291 2

28 USC § 1331 2

28 USC § 1332 2

28 USC § 1338 2

Fed.R.Civ.P. 56 . . . . . 2, 5-7

Fed.R.Civ.P. 56(c) 6, 7

Lanham Act § 1 *et seq*. 2

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1994

WHITE SWAN, LTD.,
Petitioner,

v.

THE NATURE COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioner White Swan, Ltd. ("White Swan"), petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in this case.

I. OPINIONS BELOW

The opinion of the court of appeals is not officially reported, having been designated by it as "not appropriate for publication," No. 93-35213, 1994 WL 374232, and is reproduced in the Appendix, pages 1a-16a. The opinion of the district court is reported at 26 USPQ2d 1290 and reproduced in the Appendix, pages 17a-31a.

II. JURISDICTION

The judgment of the court of appeals was entered on July 15, 1994. The United States District Court for the District of Oregon had jurisdiction under the Lanham Act § 1 *et seq.* [15 USC § 1051 *et seq.*] and 28 USC §§ 1331, 1332 and 1338. The court of appeals had jurisdiction under 28 USC § 1291 and 15 USC § 1121. The jurisdiction of the Court is invoked under 28 USC § 1254(1).

III. STATUTES INVOLVED

This case involves Rule 56 of the Federal Rules of Civil Procedure and Sections 2, 15 and 33 of the Lanham Trademark Act, 15 USC §§ 1052, 1065 and 1115, which are set forth in the Appendix, pages 32a-36a.

IV. STATEMENT OF THE CASE

White Swan sued Nature Co. for, *inter alia*, trademark infringement. Nature Co. denied White Swan's claims and counterclaimed for declaratory judgments that White Swan's federally registered trademark be cancelled and that the accused terms and certain modified terms did not infringe.

White Swan moved for summary judgment that Nature Co. was estopped from attacking validity of White Swan's marks.

Nature Co. countered with a motion for summary judgment that (1) its use of the accused terms was fair use under the Lanham Act, and (2) there was no likelihood of confusion and infringement.

White Swan owns the incontestable registered trademark No. 1,439,408 HUMMINGBIRD GARDEN and the common law trademark BUTTERFLY GARDEN, both for flower seeds. An application for federal registration of BUTTERFLY GARDEN is pending, awaiting the outcome of a cancellation proceeding in the Trademark Office.

The Nature Co. terms charged to be infringements are HUMMINGBIRD SEED MIX, *for* HUMMINGBIRDS, BUTTERFLY SEED MIX and *for* BUTTERFLIES, all for flower seeds.

Hummingbirds and butterflies are not attracted to seeds because the evidence from both parties was that neither hummingbirds nor butterflies eat seeds. It is conceded that certain seeds grow flowers that are attractive to hummingbirds and other seeds grow flowers that are attractive to butterflies.

There follow copies of photographs of White Swan's and Nature Co.'s marks affixed to labels on cans of flower seeds.

SHAKE SCATTER GROW
BUTTERFLY GARDEN
SHAKE SCATTER GROW
HUMMINGBIRD GARDEN
NATURE GARDEN COLLECTION
BUTTERFLY SEED MIX
NATURE GARDEN COLLECTION
HUMMINGBIRD SEED MIX
THE NATURE COMPANY

NATURE GARDEN COLLECTION™
for
HUMMINGBIRDS
A Blend of Nine Flower Seed Varieties to Attract Hummingbirds
THE NATURE COMPANY
NATURE GARDEN COLLECTION™
for
BUTTERFLIES
A Blend of Nine Flower Seed Varieties to Attract Butterflies
THE NATURE COMPANY

The district court granted Nature Co.'s motion for summary judgment, denied White Swan's motion, and held that White Swan's trademarks were weak, descriptive marks. It held that since Nature Co. did not appropriate the entire White Swan trademarks, there was no infringement. The district court also upheld the fair use defense, 15 USC § 1115(b)(4), that Nature Co.'s uses of HUMMINGBIRD SEED MIX, BUTTERFLY SEED MIX, *for* HUMMINGBIRDS and *for* BUTTERFLIES on its labels were, as a matter of law, descriptive and used fairly and in good faith.

On appeal, the court of appeals refused to pass on the question of infringement, but affirmed the district court's decision of the fair use defense. It also ruled that the district court's finding of descriptiveness was reviewable under the clearly erroneous standard.

V. REASONS FOR GRANTING THE PETITION

A. This Case Raises Fundamental Questions With Respect to Summary Judgment Under the Federal Rules of Civil Procedure and Application of the Fair Use Defense Against an Incontestable Trademark Under the Lanham Act.

The decisions of both lower courts are in conflict with Rule 56, the decisions of the Court, and the decisions of other circuits.

Neither the court of appeals nor the district court so much as mentioned the statutory presumptions of the Lanham Act which are accorded an incontestable, registered trademark such as HUMMINGBIRD GARDEN. The district court also ignored the statutory prohibition against the use of "descriptiveness" of an incontestable mark as a defense to a charge of infringement of the mark. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 205 (1985).

1. **Conflict of Circuits in Interpretation of Rule 56 of the Federal Rules of Civil Procedure.**

Some circuits are merely paying lip service to the wording of Rule 56 and the Court's decision of *U. S. v. Diebold, Inc.*, 369 U.S. 654 (1962) as reinforced by its recent decision of *Eastman Kodak Co. v. Image Technical Services, Inc.*, 112 S.Ct. 2072 (1992). There is significant conflict among the circuits.

Under Rule 56(c), summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.P. 56(c). Rule 56 does not directly state the standard of review to be applied by a

court of appeals when reviewing a decision on a motion for summary judgment. "However, because summary judgment may only be granted where there is no genuine issue of material fact, any purported 'factual findings' of the [lower court] cannot be 'factual findings' as to disputed issues of fact, but rather are conclusions as a matter of law that no genuine issue of material fact exists; such conclusions of law are, of course, subject to plenary review." *Rosen v. Bezner*, 996 F.2d 1527, 1530, n.2 (3rd Cir. 1993).

Thus, on direct appeal of a district court's grant of summary judgment, the Court reviewed the record *de novo*, and reversed the grant of summary judgment. *Diebold*, 369 U.S. at 655. The Court's recent interpretation of Rule 56(c) reemphasizes that "on summary judgment we may examine the record *de novo* without relying on the lower courts' understanding." *Kodak*, 112 S.Ct. at 2081, n.10 (1992).

Despite the clear wording of Rule 56 and the Court's decisions, conflict persists among the circuits as to the correct review of a district court's decision on a motion for summary judgment. There are at least four different approaches. At the heart of the conflict is whether it is permissible for a court of appeals in determining whether summary judgment was appropriate to review the

district court's finding of the existence or absence of a genuine issue of material fact under the clearly erroneous standard.

In the Third, Fifth and District of Columbia Circuits, the clearly erroneous standard is not applied to any findings on review. *Rosen*, 966 F.2d at 1530, n. 2 (3rd Cir. 1993); *Sabine River Authority v. U.S. Dept. of Interior*, 951 F.2d 669, 679 (5th Cir. 1992), *cert. denied*, 113 S.Ct. 75 (1992); and *Connors v. Incoal, Inc.*, 995 F.2d 245, 252, n.9 (D.C. Cir. 1993).

The Sixth Circuit applies the clearly erroneous standard to the review of a denial of a motion for summary judgment, but not to the review of a grant of such a motion. *Southward v. South Cent. Ready Mix Supply Corp.*, 7 F.3d 487, 492 (6th Cir. 1993).

The Seventh Circuit applies the clearly erroneous standard of review only if the facts are undisputed and the non-movant does not claim a right to a jury trial. *Jurcev v. Central Community Hosp.*, 7 F.3d 618, 623 (7th Cir. 1993), *cert. denied*, 114 S.Ct. 1830 (1994).

The Ninth Circuit starts the ANALYSIS portion of its opinion in this case by paying lip service to *de novo* review of summary judgment. However, three sentences later in the same paragraph it holds that it reviews a finding of descriptiveness under the clearly erroneous standard, "The District Court classification of a term as 'descriptive'

is a factual determination subject to review for clear error." Appendix 6a.

The reality and immediacy of the conflict was recently stated when the District of Columbia Circuit held that motions for summary judgment are reviewed *de novo*, with no deference to the lower court. "[T]he law of [the District of Columbia] [C]ircuit is clearly at odds with that of the Seventh Circuit on this point." *Connors*, 995 F.2d at 252, n.9.

2. **Conflict of Circuits in Interpretation of the Fair Use Defense of Section 33 of the Lanham Act.**

There is a present need for the Court to interpret Section 33 of the Lanham Act, because many of the circuits are ignoring the plain language of the fair use defense expressly defined in that section.

In the Lanham Act, Congress broke with the common law concept that a descriptive term could never be protected as a trademark. A descriptive term is registrable as a trademark if the term has become distinctive of the applicant's goods under 15 USC § 1052(f). A descriptive mark is also protected against infringement if it is the subject of an incontestable registration, as defined in 15 USC § 1065. An incontestable mark is only subject to the limited defenses set forth in the statute.

One such defense is fair use under 15 USC § 1115(b)(4), which requires a defendant relying on it to prove each of the following:

1. The term charged to be an infringement must be used "otherwise than as a mark."
2. The term must be "descriptive of ... the goods of [the alleged infringing] party."
3. The term must be used "fairly ... only to describe the goods of [the alleged infringing] party."
4. The term must be used "in good faith only to describe the goods of [the alleged infringing] party."

15 USC § 1115(b)(4).

The only discussion by the Court of the fair use defense to infringement of an incontestable trademark is found in *Park 'N Fly*, 469 U.S. at 201, where the Court said that "[t]he Lanham Act allows a mark to be challenged at any time if it becomes generic, and, under certain circumstances, permits the nontrademark use of descriptive terms contained in an incontestable mark."

Significant conflict exists among the circuits as to the correct application of the fair use defense to an allegation of infringement of an incontestable trademark.

In the Third, Seventh and Tenth Circuits, recent decisions have been careful to distinguish between the

"otherwise than as a mark" and the "descriptive of ... the goods" requirements of the fair use defense. *Institute for Scientific Information, Inc. v. Gordon and Breach, Science Publishers, Inc.*, 931 F.2d 1002, 1008 (3rd Cir. 1991), *cert. denied*, 112 S.Ct. 302 (1991); *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951-954 (7th Cir. 1992), *cert. denied*, 113 S.Ct. 1879 (1993); and *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 938 (10th Cir. 1983).

In the Fourth and Ninth Circuits, on the other hand, recent decisions have ignored the "otherwise than as a mark" requirement, or substituted a statement to the effect that the charged term is descriptive, and therefore is not used as a trademark. *Schafer Co. v. Innco Management Corp.*, 27 USPQ2d 1239, 1240 (4th Cir. 1993) and the present case.

Had *de novo* review been applied to the determination of whether there is a genuine issue as to any material fact relating to the alleged infringement and fair use defense, Nature Co.'s motion for summary judgment would have been denied. The use otherwise than as a mark, descriptiveness, fairness and good faith of the use of the terms charged to be an infringement are each material facts. White Swan presented more than enough evidence on each of these disputed issues to raise a genuine issue appropriate for determination by a jury.

CONCLUSION

The decision below fully warrants the Court's review, and a writ of certiorari should be issued to the Ninth Circuit Court of Appeals.

Respectfully submitted,

J. Pierre Kolisch
Counsel of Record
David P. Cooper
Charles H. DeVoe
KOLISCH HARTWELL DICKINSON
McCORMACK & HEUSER
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204
(503) 224-6655

Attorneys for Petitioner
White Swan, Ltd.

October 12, 1994

APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

WHITE SWAN, LTD., an Oregon Corporation, Plaintiff-Appellant,	)	No. 93-35213
vs.	)	D.C. No. 92-00588-JAR
The NATURE COMPANY, a California Corporation, Defendant-Counter-Claimant-Appellee.	)	MEMORANDUM*

Appeal from the United States District Court for the District of Oregon
James A. Redden, District Judge, Presiding

Decided July 15, 1994.
Argued and Submitted June 14, 1994.
San Francisco, California

Before: GOODWIN, PREGERSON, and RYMER, Circuit Judges.

---

* This disposition is not appropriate for publication and may not be cited to or by the courts of this circuit except as provided by 9th Cir.R. 36-3.

OVERVIEW

White Swan, Ltd. appeals the District Court's grant of summary judgment in favor of The Nature Company. White Swan Ltd.'s action alleged trademark infringement pursuant to § 32 of the Lanham Act, 15 U.S.C. § 1114, unfair competition and false designation of origin pursuant to § 43 of the Lanham Act, 15 U.S.C. § 1125(a), and state common law claims of trademark infringement, unfair trade practices, and trademark dilution. We have jurisdiction pursuant to 28 U.S.C. § 1291. We affirm.

BACKGROUND

Appellant White Swan, Ltd. ("White Swan") is a wholesale marketer of garden-related products, including flower seeds and decorative garden accessories. White Swan's products are sold nationally at retail outlets and garden shops.

In 1986, White Swan began marketing flower seeds in shaker cans[1] based on a concept of "theme gardens." Each can contains selected seed varieties intended for a particular purpose, such as attracting butterflies or hummingbirds, or

---

[1] Shaker cans are cylindrical cans that have plastic tops containing holes through which the seeds are scattered for planting.

growing fragrant or low-water use flower gardens. All cans bear the trademarks "WHITE SWAN," "SHAKE SCATTER & GROW," and a particular garden trademark, such as "BUTTERFLY GARDEN." In 1986, White Swan applied to the Registrar of Trademarks to register "HUMMINGBIRD GARDEN" and "BUTTERFLY GARDEN." "HUMMINGBIRD GARDEN" was registered in 1986; the "BUTTERFLY GARDEN" application is still pending,[2] awaiting a Cancellation Proceeding.[3]

Appellee The Nature Company ("Nature Co.") is a retailer that sells nature-related products in its retail stores and mail order catalogue. From 1987 to 1990, Nature Co. bought approximately $570,000 worth of White Swan products, including $180,000 worth of "HUMMINGBIRD GARDEN" and "BUTTERFLY GARDEN" flower seeds, and sold them in Nature Co. retail stores. Beginning in 1988, Nature Co. sold an exclusive line of White Swan seeds under a label bearing

---

[2] White Swan acknowledges that it is asserting only its common law rights in the trademark "BUTTERFLY GARDEN."

[3] White Swan seeks to cancel a blocking registration, "BUTTERFLY BOUQUET," owned by another company (not involved in this litigation) and used for living plants and flowers, and artificial plants and flowers.

both White Swan's and Nature Co.'s trademarks. In 1989, Nature Co. quit ordering White Swan flower seed products. In 1990, it stopped selling these products.

In 1992, Nature Co. began selling the flower seed products with labels that contained the phrases "BUTTERFLY SEED MIX" and "HUMMINGBIRD SEED MIX." The year before, White Swan had sent its wholesale catalogue which included flower seed products to Ivelich at Nature Co. Nonetheless, Nature Co.'s senior buyer, Sandra Ivelich, who was hired in June 1991, stated in her deposition that she was unaware of any other product similar to that which she had developed for Nature Co. She further stated that she was unfamiliar with White Swan's products or trademarks when she developed the flower seed products in shaker cans for Nature Co. Ivelich indicated that she first became aware of White Swan's products at a trade show she attended in February of 1992.

White Swan sent a "cease and desist" letter to Nature Co.'s president and later filed suit against Nature Co. In response, to the suit, Nature Co. proposed to modify its labels from "NATURE GARDEN COLLECTION," "BUTTERFLY SEED MIX" (or "HUMMINGBIRD SEED MIX,") "A Blend of Nine Flower Varieties," to "NATURE GARDEN COLLECTION," "for BUTTERFLIES" (or "for HUMMINGBIRDS,") "A Blend of Nine Flower

Seed Varieties to Attract Butterflies" (or "Hummingbirds"). White Swan rejected this suggestion and pressed the current action.

Nature Co. currently sells flower seeds under the modified labels it proposed to settle the suit. In response to White Swan's suit, Nature Co. counterclaimed, seeking a declaration that it had not engaged in unfair competition or trademark violation, and that White Swan's use of "butterfly" and "hummingbird" are descriptive terms without secondary meaning and are therefore not protectable as individual trademarks. Further, Nature Co. seeks a declaration that its modified labels do not violate any rights held by White Swan.

Both White Swan and Nature Co. moved for summary judgment. Following oral argument, the District Court concluded that Nature Co.'s use of "BUTTERFLY SEED MIX" and "HUMMINGBIRD SEED MIX" was descriptive and a fair use. The District Court thus granted summary judgment for Nature Co. on its counterclaim for a declaration that its uses did not infringe upon any rights of White Swan.[4] In addition, the District Court concluded

---

[4] On February 12, 1993, the parties stipulated to a dismissal of all remaining counterclaims by Nature Co. that were not resolved by the District Court's order of summary judgment.

that even if Nature Co. used "BUTTERFLY SEED MIX" and "HUMMINGBIRD SEED MIX" as trademarks, there was little likelihood of consumer confusion between Nature Co.'s and White Swan's products. Finally, the District Court granted summary judgment for Nature Co. on its counterclaim for a declaration that the use of its modified packaging would not constitute trademark infringement or unfair competition. As a consequence, the District Court denied all of White Swan's summary judgment motions.

ANALYSIS

We review a grant of summary judgment de novo. Jones v. Union Pacific R.R., 968 F.2d 937, 940 (9th Cir.1992). Our review is governed by the same standard used by the trial court under Federal Rule of Civil Procedure 56(c). Darring v. Kincheloe, 783 F.2d 874, 876 (9th Cir.1986). We must determine, viewing the evidence in the light most favorable to the nonmoving party, whether any genuine issues of material fact and whether the District Court correctly applied the relevant substantive law. Federal Deposit Ins. Corp. v. O'Melveny & Meyers, 969 F.2d 744, 747 (9th Cir.1992). The District Court's classification of a term as "descriptive" is a factual determination subject to review for clear error. "[W]here a mixed question of law and fact is predominately one of fact, we review

the trial court's determination under the clearly erroneous standard." Levi Strauss & Co. v. Blue Bell, Inc., 778 F.2d 1352, 1355 (9th Cir.1986) (quoting United States v. McConney, 728 F.2d 1195, 1203-04 (9th Cir.) (en banc), cert. denied, 469 U.S. 824 (1984).

On appeal, White Swan alleges that the District Court improperly granted Nature Co.'s motions for summary judgment because there were genuine issues of material fact concerning (1) whether Nature Co. used the phrases "BUTTERFLY SEED MIX" and "HUMMINGBIRD SEED MIX" descriptively and not as trademarks to describe its flower seeds, and (2) whether such use by Nature Co. was fair and in good faith.

TRADEMARK INFRINGEMENT

First of all, White Swan argues that the District Court erred in determining that Nature Co.'s use of the phrases "BUTTERFLY SEED MIX" and "HUMMINGBIRD SEED MIX" did not constitute trademark infringement and unfair competition under Accuride Intern., Inc. v. Accuride Corp., 871 F.2d 1531 (9th Cir.1989) and AMF, Inc. v. Sleekcraft Boats, 559 F.2d 341 (9th Cir.1979). Because we conclude that the District Court properly decided this case under the fair use doctrine, we need not address the trademark infringement issue.

FAIR USE DOCTRINE

A trademark conveys a limited property right in a specific word, phrase, or symbol. New Kids on the Block v. New America Pub., Inc., 971 F.2d 302, 305 (9th Cir.1992). Trademarks have an important, albeit limited purpose: They serve to identify the manufacturer of a good or provider of a service. Id. Trademark protection, however, is also limited: It aims to prevent rival manufacturers from capitalizing on their competitors' investment of time, money, and resources but does not aim to create a property interest in all words used in a commercial context. Id. Underlying this limitation is the concern that the primary cost of allowing this property right is the restricted use of words in the commercial context. Id. at 306.

This concern frequently arises when a trademark describes a person, place, or attribute of a product. Id. Although informative words that are not trademarks are frequently available for describing products,[5] sometimes there is no practical

---

[5] Well-known trademarks such as Jell-O, Scotch tape, and Kleenex may be readily described as gelatin, cellophane tape, and facial tissue. New Kids, 971 F.2d at 306.

substitute for the trademark itself. "If the trademark holder were allowed exclusive rights in such use, the language would be depleted in much the same way as if generic words were protectable." Id. Thus, trademark law recognizes a defense of "fair use" where the mark is used "otherwise than as a mark" and "fairly and in good faith only to describe the goods or services of [a producer], or their geographic origin." 15 U.S.C. § 1115(b)(4). This defense "forbids a trademark holder to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods." New Kids, 971 F.2d at 306 (citations omitted). Moreover, the fair use defense applies to actions brought under the Lanham Act and to state claims of trademark infringement.

In its decision, the District Court found that Nature Co.'s use of the phrases "BUTTERFLY SEED MIX" and "HUMMINGBIRD SEED MIX" on its flower seed labels was descriptive and done in good faith, and thus defensible under the fair use doctrine. As the District Court stated:

> Defendant's use of the phrases ... are not [as] trademarks identifying a source, but instead are descriptive phrases used fairly to describe the nature, qualities and characteristics of the seed mixes....[Nature ,Co.'s] use of "butterfly" and "hummingbird"

> are the only words reasonably available to describe [its] products: seed mixes designed to attract butterflies or hummingbirds.

We find no error in this determination. As we recently stated in New Kids:

> Cases like these are best understood as involving a non-trademark use of a mark.... [W]here the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one. Such nominative use of a mark--where the only word reasonably available to describe a particular thing is pressed into service--lies outside the strictures of trademark law: Because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition.... "When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth."

971 F.2d at 307-08 (quoting Prestonettes, Inc. v. Coty, 264 U.S. 359, 368).

White Swan, however, contends that Nature Co.'s use of the words "butterfly"

and "hummingbird" fail to satisfy the fair use doctrine because of several alleged "factual" disputes.[6] First, White Swan contends that the words "butterfly" and "hummingbird" appear "undeniably larger and more dominant that anything else on the labels." Our viewing of the seed can labels does not support this contention.[7] The words "BUTTERFLY" and "HUMMINGBIRD" are printed in identical type face and size as the words "SEED MIX."

Further, White Swan suggests that there is a factual dispute over whether

---

[6] White Swan's main arguments seem not to be directed to disputed facts, but to the District Court's conclusions based on the facts before it. The only fact about which the parties disagree--the type size on Nature Co.'s seed cans--is readily resolvable by viewing the seed can labels.

[7] The only possible way that the words "butterfly" and "hummingbird" could be viewed as larger than the phrase "seed mix" would be because "butterfly" and "hummingbird" have more letters than "seed mix." This interpretation does not comport with common sense or standard practice in graphic arts; the size and dominance of letters is judged on a per-character basis.

Nature Co. could have described its products as "seeds for growing flowers attractive to hummingbirds (or butterflies)." Although the suggestion might be physically possible, the law does not require Nature Co. to use such cumbersome language. Again, in New Kids we said:

> [O]ne might refer to the "two-time world champions" or "the professional basketball team from Chicago," but it's far simpler (and more likely to be understood) to refer to the Chicago Bulls. In such cases, use of the trademark does not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source.

971 F.2d at 306. In addition, we reject White Swan's suggestion that Nature Co. should be required to change its seed can labels because other competitors of White Swan have done so. Because one competitor has made a compromise to avoid a lawsuit does not impel all other competitors to do so.

White Swan relies on Sands, Taylor & Wood v. Quaker Oats Co., 978 F.2d 947 (7th Cir.1992), cert. denied, 113 S.Ct. 1879 (1993), to support its next contention, that Nature Co.'s use of "butterfly" and "hummingbird" is improper and not a fair use because Nature Co. has allegedly used

the phrases as attention-getting slogans. We find this reliance misplaced. In Sands, the Seventh Circuit found that Quaker's use of the phrase "THIRST AID" on its Gatorade label as a slogan in addition to its "GATORADE" trademark infringed on Sand's trademark "THIRST-AID" for use with soft drink products. The case before us presents far different facts. For Sands to be applicable to the current case, Nature Co. would have had to use the phrase "BUTTERFLY GARDEN" or "HUMMINGBIRD GARDEN" on its label as a slogan in addition to its "seed mix" reference. As the District Court noted, "Sands is distinguishable from this case because [Nature Co.] is not using [the phrases] as a trademark, but merely ... as common descriptive words, and those words are not used in an unduly prominent manner or as an attention-getting slogan."

Finally, White Swan argues that the District Court improperly determined that Nature Co. used the phrases fairly and in good faith. However, neither of the cases to which White Swan directs our attention

sheds any light on the issue of good faith in the trademark context.[8]

As applied to the present case, "good faith" refers to the intent of Nature Co. to trade on the good will or reputation of White Swan. New Kids, 971 F.2d at 309. We agree with the District Court that there was no evidence of any bad faith conduct by Nature Co. in designing its labels as it did. We see no evidence indicating that Nature Co. either intended to--or in fact has--traded on the good will or reputation of White Swan. White Swan presented no evidence to the District Court of customer confusion regarding the competing flower seed products.[9] Further,

---

[8] Yanez v. United States, 989 F.2d 323, 327 (9th Cir.1993) involved a district court's determination of whether a settlement made between a product supplier and an injured worker was done in good faith. Bothke v. Fluor Engineers & Constructors, Inc., 834 F.2d 804 (9th Cir.1987) involved a district court's granting of summary judgment for an Internal Revenue Service Officer based on the court's determination that the officer had qualified immunity because she subjectively acted in good faith.

[9] The only evidence of actual confusion that White Swan presented concerned a hummingbird expert, Robert Tyrell, who

Nature Co., who has not sold White Swan's flower seeds since 1990, only sells its flower seeds in its own stores and catalogue, not in any other retail outlets or catalogues where White Swan's customers would expect to find White Swan's products.

Thus, we affirm the District Court's finding that no facts indicate that Nature Co. intended in bad faith to trade on the reputation or good will of White Swan. No evidence supports a showing of bad faith where a retailer discontinues selling one product and opts several years later to sell a competing product, so long as customers are not led to believe that the competing product is the original product or is produced by the same manufacturer as the original product.

In sum, while we acknowledge that White Swan may have lost sales because Nature Co. is selling a competing product,

---

endorses White Swan's products. Mr. Tyrell saw Nature Co.'s flower seeds in a Nature Co. retail store. Mr. Tyrell indicated in a later conversation to White Swan's President, Ruth Saltzman, that he thought Nature Co.'s product might be made by White Swan, based on his knowledge of the prior relationship between White Swan and Nature Co. White Swan thus offered no evidence of customer confusion, nor any other evidence of actual confusion.

this fact does not viscerate a finding of fair use. We affirm the District Court's determination that Nature Co.'s use of the words "butterfly" and "hummingbird" on its seed can labels is acceptable under the fair use doctrine.[10]

AFFIRMED.

---

[10] Further, we conclude that the District Court properly granted summary judgment for Nature Co. regarding use of its proposed modified packaging and label for its product, because Nature Co.'s use of the words "hummingbirds" and "butterflies" is a proper descriptive use under the fair use doctrine.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

WHITE SWAN, LTD., an Oregon Corporation,	)	Civil No. 92-588-RE
Plaintiff,	)	
v.	)	OPINION
THE NATURE COMPANY,	)	
Defendant.	)	

Jan. 25, 1993.

J. Pierre Kolisch
Peter E. Heuser
David P. Cooper
Kolisch, Hartwell, Dickinson,
McCormack & Heuser
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204
Attorneys for plaintiff

James S. Leigh
Garth A. Winn
Klarquist, Sparkman, Campbell,
Leigh & Whinston
One World Trade Center, Suite 1600
121 S.W. Salmon Street
Portland, Oregon 97204

Gregory N. Owen
Andrew Lurie
Owen, Wickersham & Erickson
455 Market Street, 19th Floor
San Francisco, California 94105
Attorneys for defendant

REDDEN, Judge:

Plaintiff alleges trademark infringement, false designation of origin, unfair competition, unfair trade practices and trademark dilution. Defendant counterclaims for declaratory judgment, cancellation of plaintiff's registered trademark, and an injunction against further acts of unfair competition or harassment.

Both parties move for summary judgment. Oral argument was heard on 11 January 1993. For the reasons below, defendant's motion for partial summary judgment is granted.

BACKGROUND

Plaintiff White Swan, in business since 1977, is a wholesale marketer of garden-related products. In 1987 plaintiff began marketing flower seeds in shaker cans. Some seeds were packaged according to whether the flowers they produced were fragrant, attractive to butterflies, or attractive to hummingbirds. In 1986 plaintiff applied

to register "HUMMINGBIRD GARDEN" and "BUTTERFLY GARDEN" as trademarks. In 1987 HUMMINGBIRD GARDEN was registered. "BUTTERFLY GARDEN" is still pending, awaiting a Cancellation Proceeding. Plaintiff acknowledges it is seeking only its common law rights in the trademark BUTTERFLY GARDEN.

Defendant Nature Company buys products from wholesalers and sells at retail through catalogs and stores. From 1987 through 1990, defendant bought $570,000 worth of products from plaintiff, including about $180,000 worth of HUMMINGBIRD GARDEN and BUTTERFLY GARDEN flower seeds. Plaintiff began selling HUMMINGBIRD shaker cans to defendant in 1987, and in 1988, defendant requested exclusive lines of flower seeds from plaintiff. Plaintiff originated two products and labels for defendant--at the top of the label appeared THE NATURE COMPANY; under that read ESPECIALLY FOR CHILDREN, and under that either BUTTERFLY GARDEN or HUMMINGBIRD GARDEN. The back label acknowledged that " 'BUTTERFLY GARDEN' [or 'HUMMINGBIRD GARDEN'], 'ESPECIALLY FOR CHILDREN', and 'WHITE SWAN' are trademarks of White Swan, Ltd." Defendant sold these products from 1987 through 1990.

By the end of 1989, however, defendant stopped ordering from plaintiff. Through discovery, defendant represented to plaintiff that Nature's "Senior buyer,"

Sandra Ivelich, was the person most knowledgeable of the business relationship between plaintiff and defendant, and of the packaging of Nature's own seed mixes. In deposition, Ivelich testified that she was hired by Nature in June 1991. She claims that in the fall of 1991 she had an idea that defendant should market products called Butterfly Seed Mix and Hummingbird Seed Mix. She testified that she was unaware of any other product similar to her idea. Defendant started selling Butterfly Seed Mix and Hummingbird Seed Mix in early 1992.

Plaintiff's legal counsel sent a "cease and desist" letter to defendant's president. Defendant later designed a modification to its labels to read "NATURE GARDEN COLLECTION for" and, underneath in bigger, bolder type, either "BUTTERFLIES" or "HUMMINGBIRDS." These have not been used yet, but defendant seeks a declaration that their use would not be improper.

Defendant has continued to sell these products under the Seed Mix labels, prompting plaintiff to sue for trademark infringement. Defendant has counterclaimed, seeking a declaration that Nature has not engaged in unfair competition, or violated trademarks, and that plaintiff's use of "butterfly garden" and "hummingbird garden" is descriptive without having secondary meaning and therefore not protectable by trademark.

STANDARDS FOR SUMMARY JUDGMENT

Summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.P. 56(c). The materiality of a fact is determined by the substantive law on the issue. T.W. Electrical Service, Inc. v. Pacific Electrical Contractors Asso., 809 F.2d 626, 630 (9th Cir.1987). The authenticity of a dispute is determined by whether the evidence is such that a reasonable jury could return a verdict for the non-moving party. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986).

The moving party has the burden of establishing the absence of a genuine issue of material fact. Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). If the moving party shows that absence of a genuine issue of material fact, the non-moving party must go beyond the pleadings and identify facts which show a genuine issue for trial. Id. at 324.

Special rules of construction apply to evaluating summary judgment motions: (1) all reasonable doubts as to the existence of genuine issues of material fact should be resolved against the moving party; and (2) all inferences to be drawn

from the underlying facts must be viewed in the light most favorable to the non-moving party. T.W. Electrical, 809 F.2d at 630.

STANDARDS FOR INFRINGEMENT

In Official Airline Guides (OAG) v. Churchfield Pub., 756 F.Supp. 1393 (D.Or.1990), this court stated that in a trademark infringement case, a plaintiff must prove that its trademark is protectable and, if so, that a likelihood of confusion exists between defendant's marks and plaintiff's. "Likelihood of confusion exists when consumers are likely to assume that a product or service is associated with a source other than its actual source because of similarities between the two source's marks or marketing techniques." Nutri/System, Inc., v. Con-Stan Industries, Inc., 809 F.2d 601, 604 (9th Cir.1987).

A finding of infringement is inappropriate, however, when the challenged word or phrase is used "otherwise than as a mark" and "fairly and in good faith only to describe the goods." 15 U.S.C. § 1115(b)(4). This "fair use" defense forbids a trademark registrant to appropriate descriptive terms and prevent others from accurately describing a characteristic of their goods. New Kids On The Block v. New America Publishing, Inc., 971 F.2d 302, 306 (9th Cir.1992).

The defense has been recognized as applying to actions under the Lanham Act and state claims. Western Publishing Co., Inc. v. Rose Art Industries, Inc., 733 F.Supp. 698, 702 (S.D.N.Y.), aff'd, 910 F.2d 57 (2nd Cir.1990).

If the "fair use" defense is inapplicable, and the challenged words or phrases are construed as trademark use, the test for establishing trademark infringement and unfair competition is whether consumers would likely be confused or misled by the similarity of the marks in dispute. Accuride International, Inc. v. Accuride Corp., 871 F.2d 1531, 1533 (9th Cir.1989). In that case, the Ninth Circuit reviewed eight factors considered relevant to whether confusion between related goods is likely:

1. the strength of the mark;
2. the proximity of the goods;
3. marketing channels used;
4. similarity of the marks;
5. evidence of actual confusion;
6. type of goods and degree of consumer care exercised;
7. defendant's intent in selecting the mark; and
8. likelihood of product lines expansion.

Id. at 1534.

ANALYSIS

This court concludes that the "fair use" defense is applicable here, and that defendant's use of "Butterfly Seed Mix" and "Hummingbird Seed Mix" is descriptive of the contents, and that such use is fair and in good faith. Further, even if those descriptive phrases were construed as trademarks, the court concludes that such trademark use would not likely cause confusion among consumers.

Defendant's use of the phrases "Hummingbird Seed Mix" and "Butterfly Seed Mix" are not trademarks identifying a source, but instead are descriptive phrases used fairly to describe the nature, qualities and characteristics of the seed mixes. The Ninth Circuit recently recognized

> a class of cases where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one. Such nominative use of a mark--where the only word reasonably available to describe a particular thing is pressed into service--lies outside the strictures of trademark law: Because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition; such use is fair because it does not

> imply sponsorship or endorsement by the trademark holder. "When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth."

New Kids, 971 F.2d at 307-08; quoting Prestonettes, Inc. v. Coty, 264 U.S. 359, 368 (1924). The New Kids court held as a matter of law that original producers do not endorse another product that uses its mark in a descriptive manner. Id. at 306. Defendant's use of "butterfly" and "hummingbird" are the only words reasonably available to describe defendant's product: seed mixes designed to attract butterflies or hummingbirds. The court notes plaintiff's reference to Sands, Taylor & Wood v. Quaker Oats, 24 U.S.P.Q.2D 1001 (7th Cir.1992). The appellate court in that case rejected defendant's assertion of the fair use defense because defendant did not use "Thirst Aid" in a sentence describing defendant's Gatorade, but instead used it as an attention-getting symbol. "Thirst Aid" was used in prominent type, and the use of the trademark "Gatorade" did not preclude the finding that defendant also used "Thirst Aid" as a trademark as well.

Sands is distinguishable from this case because defendant is not using "Butterfly Garden" or "Hummingbird Garden" as a trademark, but merely "butterfly" and "hummingbird" as common descriptive words,

and those words are not used in an unduly prominent manner or as an attention-getting slogan.

Even if this statutory defense were deemed inapplicable under the facts presented, this court determines that no significant likelihood of confusion exists as between the parties' products. Assuming without concluding that plaintiff's use of "butterfly" or "hummingbird" alone were protectable, such use is clearly descriptive and is afforded less protection than a stronger arbitrary or fanciful mark; such a mark is weak and entitled to only a restricted range of protection. Surgicenters of America v. Medical Dental Surgeries, Co., 601 F.2d 1011, 1014 (9th Cir.1979). Only if the marks at issue are "quite similar, and the goods closely related, will infringement be found." AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 349-50 (9th Cir.1979).

While the goods are closely related here, this court concludes that the phrases "Butterfly Garden" or "Hummingbird Garden" are not sufficiently similar to "Butterfly Seed Mix" or "Hummingbird Seed Mix" for a finding of infringement. Application of the Ninth Circuit eight factor test bears this out.

1. Strength of the Mark

Plaintiff's uses of "hummingbird" and "butterfly" are not arbitrary and strong trademarks entitled to protection because they are descriptive. This court notes

plaintiff's argument that because defendant acknowledged previously that "Butterfly Garden" and "Hummingbird Garden" were trademarks of plaintiff, defendant is estopped from now attacking these trademarks. See Gale Group Inc. v. Diane Corp., 20 U.S.P.Q.2D 1550, 1551 (M.D.Fla.1991). Whether defendant should be estopped from challenging the validity of plaintiff's trademarks in "Butterfly Garden" or "Hummingbird Garden" is immaterial to determining whether defendant's use of "butterfly" or "hummingbird" is descriptive or improper.

2. Proximity of Goods

Plaintiff's and defendant's products--seeds for growing flowers attractive to butterflies or hummingbirds--are in direct competition as they are ultimately sold to gardening consumers at similar or identical prices.

3. Similarity of the Marks

Similarity is tested on the three levels of sight, sound, and meaning. AMF, 599 F.2d at 351. The phrases at issue here are not sufficiently similar to establish a claim of infringement. A comparison of "Butterfly Garden" and "Hummingbird Garden" products and defendant's "Butterfly Seed Mix" and "Hummingbird Seed Mix" products reveals how they are distinguishable. Although the shaker cans used by both parties have been similar in shape, the labels are dissimilar: plaintiff's design places the

word "BUTTERFLY" or "HUMMINGBIRD" under a corresponding picture in the center of the can, with the word "GARDEN" curved underneath. Defendant's design places "BUTTERFLY [or HUMMINGBIRD] SEED MIX" on three lines in equal prominence and type, below a smaller type "NATURE GARDEN COLLECTION" and above an italicized "A Blend of Nine Flower Varieties." The center label is black with a squared, bordered design, and the background behind the label is of flowers and either hummingbirds or butterflies. In addition to this visual dissimilarity, the sound of "butterfly [or hummingbird] garden" is distinguishable from "butterfly [or hummingbird] seed mix." Finally, the meanings fail to be sufficiently similar to substantiate a claim of similarity of trademarks. Although the phrases represent the similar products, one refers to a "garden" while the other refers to a seed mix. While related, the meanings are not sufficiently similar to establish an infringement claim.

4. Evidence of Actual Confusion

Plaintiff fails to establish this factor, referring to only one instance of actual confusion. Plaintiff refers to an expert who endorses it's product, Robert Tyrell. Tyrell was in a Nature store, saw Nature's product, and later told plaintiff that he thought plaintiff made the product. It should be noted that Tyrell was familiar with the parties' previous

relationship. No other evidence of consumer confusion is presented. Plaintiff refers to Eclipse Associates, Ltd v. Data General Corp., 894 F.2d 1114 (9th Cir.1990), in which the Ninth Circuit refers to a rule that a plaintiff need only show a likelihood of confusion. This showing has not been made.

5. Marketing Channels

There is some difference here. Plaintiff sells to wholesalers and defendant retails to the public through its catalogs and stores.

6. Types of Goods and Consumers' Care

The goods here are relatively inexpensive, and similarly priced. Both are products which the consuming public does not exercise great care in purchasing. This factor is not significant in this case.

7. Intent

Intent can be weighed as probative evidence of the likelihood of confusion and as an equitable consideration. AMF 599 F.2d at 348, n.9. Plaintiff refers to defendant's experience in selling plaintiff's product and alleges inconsistencies in the testimony of defendant's Senior buyer, Sandra Ivelich. Plaintiff finds Ivelich's profession of ignorance regarding plaintiff's products unbelievable. Plaintiff mischaracterizes Ivelich's deposition testimony as being that Ivelich had never heard of plaintiff, when in fact Ivelich testified she had

known of plaintiff for a year and a half, after she walked past plaintiff's display at a trade show. Plaintiff's challenge of Ivelich's credibility fails to establish either probative evidence of the likelihood of confusion, or a significant equitable consideration.

8. Likelihood of Expansion

There appears no reason to question plaintiff's claim that both parties are growing companies with expectations regarding expansion. This factor is not significant here.

CONCLUSION

This court concludes that defendant's use of "Butterfly Seed Mix" or "Hummingbird Seed Mix" is descriptive and fair, and the court grants defendant summary judgment on its counterclaim for a declaration that such use does not infringe upon any rights of plaintiff. The court determines that "Butterfly Seed Mix" or "Hummingbird Seed Mix" is used fairly and in good faith to describe defendant's product. Assuming arguendo that such use could be construed as trademark use, the court concludes it is not likely to cause confusion with plaintiff's product among consumers.

Plaintiff's motion for summary judgment is denied. Summary judgment is granted to defendant on Count I of plaintiff's complaint for trademark

infringement, Count II of plaintiff's complaint for unfair competition, Count III of plaintiff's complaint for violation of O.R.S. §§ 646.608 and 646.638, alleging that defendant has willfully infringed upon plaintiff's trademarks, caused a likelihood of confusion and disparaged plaintiff's goods, and Count IV of plaintiff's complaint for violation of O.R.S. § 647.107, alleging that plaintiff has injured plaintiff's business reputation, diluted the distinctive quality of plaintiff's trademarks, and infringed upon plaintiff's common law trademark rights.

The court also has reviewed defendant's proposed modification of the packaging and labelling of its product, and grants summary judgment to defendant on its counterclaim for a declaration that the use of that packaging would not constitute either infringement of trademark rights or unfair competition.

FEDERAL RULES OF CIVIL PROCEDURE
As amended effective December 1, 1993

RULE 56. SUMMARY JUDGMENT

(a) ...
(b) ...
(c) MOTION AND PROCEEDINGS THEREON. ... The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that, there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. ...

UNITED STATES CODE
TITLE 15, CHAPTER 22 - TRADEMARKS
[The Lanham Act, as amended by
The Trademark Law Revision Act of 1988]

§ 1052. Trademarks registrable on principal register; concurrent registration [Section 2]

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it-

(a) ...

(e) Consists of a mark which, (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) ...

(f) Except as expressly excluded in paragraphs (a), (b), (c), and (d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. ...

§ 1065. Incontestability of right to use mark under certain conditions [Section 15]

Except on a ground for which application to cancel may be filed at any time under paragraphs (3) and (5) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable:

Provided, That-

(1) ...

§ 1115. Registration on principal register as evidence of exclusive right to use mark; defenses [Section 33]

(a) Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b), which might have been asserted if such mark had not been registered.

(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such

conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15, or in the renewal application filed under the provisions of section 9 if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:

(1) ...

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin. ...

Supreme Court, U.S.
FILED
NOV 30 1994
OFFICE OF THE CLERK

No. 94-706

In The

Supreme Court of the United States

October Term, 1994

WHITE SWAN, LTD.,

Petitioner,

vs.

THE NATURE COMPANY,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

MELVILLE OWEN
(Counsel of Record)
GREGORY N. OWEN
TIMOTHY J. HUMPHREY
OWEN, WICKERSHAM & ERICKSON, P.C.
455 Market Street, 19th Floor
San Francisco, CA 94105
(415) 882-3200

Attorneys for Respondent The Nature Company

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTIONS PRESENTED

1. Does an unpublished Memorandum decision of a Ninth Circuit Court of Appeals panel upholding the grant of summary judgment for defendant wherein the Court of Appeals mentioned application of the clearly erroneous standard of review in connection with the narrow issue of the District Court's finding that "hummingbird" and "butterfly" are descriptive when used in connection with seed mixes for growing flowers attractive to hummingbirds or butterflies give rise to a conflict warranting the attention of the Supreme Court where the many published decisions of the Ninth Circuit are in accord with Federal Rules of Civil Procedure Rule 56 and the decisions of the Supreme Court?

2. Is summary judgment for a defendant permissible under the Lanham Act fair use defense, 15 U.S.C. § 1115(b)(4) where the undisputed facts establish that the phrase used by the defendant is not used as a trademark, is descriptive of the goods and there is no evidence of a wrongful intent to trade on a protectable interest of the plaintiff?

3. Is a petition seeking review of a Court of Appeal's Memorandum decision affirming the grant of summary judgment for defendant appropriate where the petitioner does not dispute the facts, but only disputes the conclusions that were arrived at by the District Court and the Court of Appeals based on the undisputed facts?

PARTIES TO THE PROCEEDINGS

All parties to the proceeding in the Court of Appeals are identified in the caption. Pursuant to Supreme Court Rule 29.1, respondent states that the parent company of The Nature Company is CML Group, Inc.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

PARTIES TO THE PROCEEDINGS ii

TABLE OF AUTHORITIES iv

I. JURISDICTION 1

II. STATUTES INVOLVED 1

III. STATEMENT OF THE CASE 2

IV. SUMMARY OF ARGUMENT 4

V. REASONS FOR DENYING THE PETITION .. 6

A. The Standard Of Review Of A District Court's Decision On A Motion For Summary Judgment Within The Ninth Circuit Is Clear And Consistent With Supreme Court Precedent 6

B. The Court Of Appeal's Decision Raises No Issue Of A Conflict In Interpretation Of The Fair Use Defense Of Section 33 Of The Lanham Act 8

C. The Court Of Appeals Correctly Affirmed The District Court's Grant Of Summary Judgment 10

VI. CONCLUSION 10

TABLE OF AUTHORITIES

Page

CASES

Americana Trading, Inc. v. Russ Berrie & Co., 966 F.2d 1284 (9th Cir. 1992) 6

Century 21 Real Estate Corp. v. Sandlin, 846 F.2d 1175 (9th Cir. 1988) 7

Cleary v. News Corp., 30 F.3d 1255 (9th Cir. 1994) 6

Eastman Kodak Co. v. Image Technical Services, Inc., 112 S. Ct. 2072 (1992) 6

General Bedding Corp. v. Echevarria, 947 F.2d 1395 (9th Cir. 1991) 6

Oklahoma v. Tuttle, 105 S. Ct. 2427 (1985) 8

Sandoz, Ltd. v. Omware, Inc., 1993 U.S. App. LEXIS 33948 (9th Cir. 1993) 7

Tzung v. State Farm Fire & Casualty Co., 873 F.2d 1338 (9th Cir. 1989) 6

United States v. Diebold, Inc., 369 U.S. 654 (1962) 6

White v. Samsung Electronics America, Inc., 971 F.2d 1395 (9th Cir. 1992) 6

STATUTES AND RULES

15 U.S.C.

§ 1052 1

§ 1065 ..... 1, 2

§ 1115(b)(4) 2, 5, 9, 10

§ 1127 9

Federal Rules of Civil Procedure

Rule 56 6

No. 94-706

In The

Supreme Court of the United States

October Term, 1994

WHITE SWAN, LTD.,

Petitioner,

vs.

THE NATURE COMPANY,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

I. JURISDICTION

Respondent The Nature Company accepts petitioner White Swan, Ltd's statement of jurisdiction.

II. STATUTES INVOLVED

Nature Company disputes White Swan's statement of the statutes involved. White Swan cites Sections 2 and 15 of the Lanham Act, 15 U.S.C. §§ 1052, 1065 as relevant to the case insofar as they relate to the claimed incontestability of White Swan's HUMMINGBIRD GARDEN registration. White Swan's registration is not incontestable

and therefore the provisions of Sections 2 and 15 of the Act do not apply.

III. STATEMENT OF THE CASE

After the close of discovery, after the filing of pretrial statements and several weeks before trial, the parties filed cross motions for summary judgment. White Swan's characterization of the subject and content of its motion for summary judgment as being "for summary judgment that Nature Co. was estopped from attacking validity of White Swan's marks" is false. Petn. at 2. White Swan's motion sought summary judgment on the issues of likelihood of confusion and infringement. The estoppel issue was simply an argument presented by White Swan in the context of its analysis of the strength of its marks. White Swan's estoppel argument was never identified as a separate basis for summary judgment.

On the same facts relied upon by White Swan, Nature Company sought summary judgment on the basis that there was no likelihood of confusion and infringement and Nature Company's use of "HUMMINGBIRD SEED MIX" and "BUTTERFLY SEED MIX" in connection with seed mixes for growing flowers attractive to hummingbirds and butterflies are fair uses pursuant to Lanham Act Section 33(b)(4), 15 U.S.C. § 1115(b)(4). Petn. at 5a.

White Swan owns a federal registration for the trademark HUMMINGBIRD GARDEN, but the registration is not incontestable pursuant to Section 15 of the Lanham Act, 15 U.S.C. § 1065. White Swan's petition is founded on the false claim that its mark is incontestable. White Swan is not entitled to any presumptions that derive from

incontestability, completely undermining White Swan's petition for certiorari.

White Swan's trademarks are the two word composite marks HUMMINGBIRD GARDEN and BUTTERFLY GARDEN, members of a family of descriptive "GARDEN" marks used in connection with flower seed mixes, including FRAGRANCE GARDEN, COTTAGE GARDEN, CUTTING GARDEN, PARTIAL SHADE GARDEN and LOW-WATER USE GARDEN. White Swan has never used the single words "HUMMINGBIRD" or "BUTTERFLY" alone in connection with seeds for growing flowers attractive to hummingbirds or butterflies and has no trademark rights in the single words "HUMMINGBIRD" or "BUTTERFLY."

The labels used by the parties in connection with their respective hummingbird and butterfly flower seed mixes are wholly dissimilar in appearance. White Swan's labels include the marks HUMMINGBIRD GARDEN or BUTTERFLY GARDEN and always appear with the house mark WHITE SWAN, the Swan design trademark and the secondary trademark SHAKE, SCATTER AND GROW. The Nature Company's labels feature the descriptive phrases "BUTTERFLY SEED MIX" or "HUMMINGBIRD SEED MIX" printed as unitary phrases in identical print style, including equal size and boldness and always appearing with the house mark THE NATURE COMPANY, the Hare design trademark and the secondary trademark NATURE GARDEN COLLECTION. The labels are wholly dissimilar in appearance. Petn. at 4.

No evidence was before the District Court or the Court of Appeals concerning an intent on the part of

Nature Company to trade on White Swan's HUMMINGBIRD GARDEN or BUTTERFLY GARDEN trademarks when it adopted the descriptive phrases "HUMMINGBIRD SEED MIX" or "BUTTERFLY SEED MIX." White Swan presented no evidence that consumers associated Nature Company's goods with White Swan because of the disputed phrases nor that consumers rely on the disputed phrases as source indicating trademarks rather than phrases that describe the nature, qualities and characteristics of the goods. Further, White Swan presented no evidence that the words "hummingbird" and "butterfly" are recognized by consumers as identifying White Swan as the source of flower seed mixes for growing flowers attractive to hummingbirds and butterflies. Finally, White Swan admitted that the words "hummingbird" and "butterfly" are necessary to accurately describe the parties' products: seed mixes for growing flowers attractive to *hummingbirds* or *butterflies*.

Nature Company's present label features the trademarks "NATURE GARDEN COLLECTION for HUMMINGBIRDS" and "NATURE GARDEN COLLECTION for BUTTERFLIES," not "for HUMMINGBIRDS" and "for BUTTERFLIES" as alleged by White Swan. *See*, Petn. at 4. The District Court and the Court of Appeals held these uses to be fair and non-infringing as well. Petn. at 16a, 31a.

IV. SUMMARY OF ARGUMENT

No conflict exists between the Ninth Circuit and other United States courts of appeals concerning the appropriate standard of review applicable to a district

court's decision on a motion for summary judgment. Consistent with decisions of the Supreme Court, the Ninth Circuit Court of Appeals reviews such decisions de novo. The mention of a clearly erroneous standard of review applicable to the narrow issue of a district court's determination that particular words in a trademark are individually descriptive is an aberration and is not consistent with Ninth Circuit precedent. This Court need not invest its scarce judicial resources in reviewing an unpublished Memorandum decision that has no value as precedent and may not be cited or relied upon. The Ninth Circuit Court of Appeals is capable of monitoring its decisions and correcting minor aberrations without the need for the involvement of the Supreme Court. Further, the outcome of the appeal would not be changed as the result of any action by this Court.

No conflict among the courts of appeals with respect to the application of the fair use defense of Lanham Act Section 33(b)(4) is presented by this case. The Ninth Circuit Court of Appeals affirmed the District Court's findings that the undisputed facts establish that "HUMMINGBIRD SEED MIX" and "BUTTERFLY SEED MIX" are descriptive of seed mixes for growing flowers attractive to hummingbirds and butterflies, the phrases are used otherwise than as trademarks and that such use is not unfair or in bad faith.

There is no basis in law or fact for the petition seeking review of the Court of Appeals' affirmation of the District Court's grant of summary judgment for Nature Company where White Swan's argument on appeal does not allege that there are genuine issues of material fact in dispute, but is simply a lament that the District Court and

the Court of Appeals came to the wrong conclusion after analyzing the undisputed facts.

V. REASONS FOR DENYING THE PETITION

A. The Standard Of Review Of A District Court's Decision On A Motion For Summary Judgment Within The Ninth Circuit Is Clear And Consistent With Supreme Court Precedent

No conflict exists between the Ninth Circuit and other United States courts of appeals concerning the appropriate standard of review applicable to a district court's decision on a motion for summary judgment. The Ninth Circuit reviews such decisions de novo. *Tzung v. State Farm Fire & Casualty Co.*, 873 F.2d 1338, 1339-40 (9th Cir. 1989). The Ninth Circuit cases involving the grant of summary judgment in trademark infringement and unfair competition actions under the Lanham Act are in accord. *See, e.g., Cleary v. News Corp.*, 30 F.3d 1255, 1259 (9th Cir. 1994); *Americana Trading, Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (9th Cir. 1992); *White v. Samsung Electronics America, Inc.*, 971 F.2d 1395 (9th Cir. 1992); *General Bedding Corp. v. Echevarria*, 947 F. 2d 1395, 1396 (9th Cir. 1991). The standard of review applied in the Ninth Circuit is consistent with Rule 56 of the Federal Rules of Civil Procedure and the Supreme Court's decisions of *United States v. Diebold, Inc.*, 369 U.S. 654 (1962) and *Eastman Kodak Co. v. Image Technical Services, Inc.*, 112 S. Ct. 2072 (1992).

The Court of Appeals in this case applied the proper standard of review. The only mention of the clearly erroneous standard was in connection with the review of the narrow issue of the District Court's classification of the

words "hummingbird" and "butterfly" as descriptive when used in connection with seed mixes for growing flowers attractive to hummingbirds and butterflies. Petn. at 6a. This reference to the clearly erroneous standard is inconsistent with the de novo standard of review applied by the Ninth Circuit. Nevertheless, this reference to the clearly erroneous standard in the context of reviewing a determination of descriptiveness in an unpublished Memorandum decision does not give rise to a significant conflict with the decision of another United States court of appeals on the same matter.

The overwhelming authority and clearly established precedent in the Ninth Circuit is that summary judgment decisions are reviewed de novo.[1] To the extent there may be a misunderstanding by the particular panel that heard the underlying appeal, the Ninth Circuit is fully capable of internally monitoring its decisions and correcting minor aberrations. This Court need not commit its scarce judicial resources to correcting a minor misstatement in

---

[1] In one published case the Ninth Circuit Court of Appeals referred to a clearly erroneous standard in the review of a decision on summary judgment. *See, Century 21 Real Estate Corp. v. Sandlin*, 846 F. 2d 1175 (9th Cir. 1988). The reference to the clearly erroneous standard in *Century 21* was recently called an aberration by the Ninth Circuit Court of Appeals in an unpublished Memorandum decision. *See, Sandoz, Ltd. v. Omware, Inc.*, 1993 U.S. App. LEXIS 33948 (9th Cir. 1993) ("Although the Ninth Circuit spoke of a mixed de novo/clearly erroneous standard in [*Century 21*], we conclude that the reference to that standard was an aberration. A district court does not make findings of fact when it grants summary judgment; therefore, the only appropriate standard is de novo review as *Century 21* itself recognized.")

an unpublished Memorandum that has no value as precedent and may not be cited or relied upon.[2] Petn. at 1a. *Oklahoma v. Tuttle*, 105 S.Ct. 2427, 2432 (1985). This is particularly true where, as here, the misstatement had no bearing on the outcome of the appeal. A plain reading of the Court of Appeal's Memorandum demonstrates that a de novo standard was applied in affirming the District Court's grant of summary judgment and that summary judgment was proper based on the undisputed facts before the District Court and the Court of Appeals. Regardless of which standard of review the Court of Appeals applied to the issue of the descriptiveness of the words "hummingbird" and "butterfly" in the context of this case, the result is the same.

B. The Court Of Appeal's Decision Raises No Issue Of A Conflict In Interpretation Of The Fair Use Defense Of Section 33 Of The Lanham Act

White Swan alleges that "a significant conflict exists among the circuits as to the correct application of the fair use defense to an allegation of infringement of an incontestable trademark." Petn. at 10. No incontestable registration is in evidence in this case. White Swan's characterization of the alleged conflict has no application

---

[2] Ninth Circuit Rule 36-3 states: "Any disposition that is not an opinion or an order designated for publication under Circuit Rule 36-5 shall not be regarded as precedent and shall not be cited to or by this Court or any district court of the Ninth Circuit, either in briefs, oral argument, opinions, memoranda, or orders, except when relevant under the doctrines of law of the case, res judicata, or collateral estoppel."

in this case. The petition should be denied on this basis alone.

White Swan's characterization of this case as evidencing a conflict between the circuits in the interpretation of Lanham Act Section 33(b)(4) is false. White Swan asserts that the Court of Appeals in this case "ignored the 'otherwise than as a mark' requirement" of Lanham Act Section 33(b)(4). Petn. at 11. The falsity of this statement is readily apparent from the Court of Appeal's Memorandum wherein the court cites with approval to the District Court's finding that "Defendant's use of the phrases . . . are not [as] trademarks identifying a source, but instead are descriptive phrases used fairly to describe the nature, qualities and characteristics of the seed mixes . . . . " Petn. at 9a. Thus the District Court and the Court of Appeals found that Nature Company's uses of the terms HUMMINGBIRD SEED MIX and BUTTERFLY SEED MIX are not as trademarks,[3] the terms are descriptive of the goods and there was no evidence that the terms are not used fairly and in good faith only to describe the goods. Petn. at 11a-16a. Both the District Court and the Court of Appeals properly applied the undisputed facts to the elements of the fair use defense as set forth in Lanham Act Section 33(b)(4).

---

[3] The Lanham Act definition of a trademark is as follows: "The term 'trademark' includes any word . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127.

C. The Court Of Appeals Correctly Affirmed The District Court's Grant Of Summary Judgment

White Swan continues to argue this case as if there are factual issues in dispute, when in truth the facts of the case are undisputed. White Swan's arguments are directed to the conclusions drawn by the District Court and the Court of Appeals on the basis of the undisputed facts.[4] The Court of Appeals reviewed the facts, found no genuine issues of material fact in dispute and affirmed the District Court's finding that those undisputed facts established that Nature Company's use of "HUMMINGBIRD SEED MIX" and "BUTTERFLY SEED MIX" in connection with seed mixes for growing flowers attractive to hummingbirds and butterflies was fair and non-infringing. Petn. at 8a-16a. There is no basis in law or fact for the petition sought by White Swan.

VI. CONCLUSION

The Memorandum decision of the Ninth Circuit Court of Appeals does not give rise to a conflict with the decision of another United States court of appeals on the standard to be applied in reviewing the grant of summary judgment nor the interpretation of the fair use defense set forth in Lanham Act Section 33(b)(4). The Court of Appeals reviewed the District Court's order de novo and

---

[4] The Court of Appeals stated, "White Swan's main arguments seem not to be directed to disputed facts, but to the District Court's conclusions based on the facts before it. The only fact about which the parties disagree – the type size on Nature Co.'s seed cans – is readily resolvable by viewing the seed can labels." Petn. at 11a, fn. 6.

found that there were no genuine issues of material fact in dispute and that the correct substantive law was applied. There is no need, no reason and no basis for this Court's intervention. Nature Company respectfully urges that the petition be denied.

DATED: November 30, 1994

Respectfully submitted,

MELVILLE OWEN
(Counsel of Record)
GREGORY N. OWEN
TIMOTHY J. HUMPHREY
OWEN, WICKERSHAM & ERICKSON, P.C.
455 Market Street, 19th Floor
San Francisco, CA 94105
(415) 882-3200

Attorneys for Respondent
The Nature Company

94-706

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1994

WHITE SWAN, LTD.,
Petitioner,

v.

THE NATURE COMPANY,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

PETITIONER'S REPLY BRIEF

J. Pierre Kolisch
Counsel of Record
David P. Cooper
Charles H. DeVoe
KOLISCH HARTWELL DICKINSON
McCORMACK & HEUSER
200 Pacific Building
520 S.W. Yamhill Street
Portland, OR 97204
(503) 224-6655
Attorneys for Petitioner
White Swan, Ltd.

December 7, 1994

RECEIVED
DEC 8 1994
OFFICE OF THE CLERK
SUPREME COURT, U.S.

8 pp

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

CONCLUSION 5

TABLE OF AUTHORITIES

Cases — Page(s)

Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496 (5th Cir. 1979) 4

M. B. H. Enterprises, Inc. v. WOKY, Inc., 633 F.2d 50 (7th Cir. 1980) 4

Venetianaire Corp. of America v. A & P Import Co., 429 F.2d 1079 (2nd Cir. 1970) 4

Rules and Statutes

15 U.S.C. § 1115(b)(4) 3, 4

Lanham Act 3, 4

94-706

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1994

WHITE SWAN, LTD.,
Petitioner,

v.

THE NATURE COMPANY,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

PETITIONER'S REPLY BRIEF

Contrary to respondent's assertion (Br in Opp 2-3) the Petition is not "founded" on whether the mark HUMMINGBIRD GARDEN is or is not incontestable. As will be later pointed out, that is legally irrelevant in the present case. What is relevant is that neither of the two questions set forth in the Petition have been dealt with in Respondent's Brief in Opposition other than by bold negative

assertions without citation of supporting authority.

Question 1 in the Petition involved a conflict among the circuits with respect to the correct standard of review of a district court's decision on a motion for summary judgment. Specifically, that issue was whether the Ninth Circuit had erred in the present case by reviewing under the clearly erroneous standard the district court's finding of the absence of a genuine issue of material fact, descriptiveness. Respondent's Brief in Opposition does not deny the conflict in the various circuits set forth in the Petition. Respondent recognizes the error by the Ninth Circuit in the present case, but seeks to pass it off as a "minor aberration" not worthy of this Court's review because it appeared in an unpublished memorandum decision and the Ninth Circuit court is capable of monitoring and correcting such an aberration (Br in Opp 5). Apparently the Ninth Circuit is not doing that as shown by respondent's citation to an earlier Ninth Circuit unpublished decision that discussed this "aberration."

Question 2 in the Petition is whether summary judgment was proper under the fair use defense where genuine issues of

material fact have been raised.[1] The Brief in Opposition again fails to deal with the conflict in the various circuits' interpretations of the fair use defense. Respondent simply states that there is no conflict and argues that because the registration for HUMMINGBIRD GARDEN is not incontestable as set forth in the Petition, "the Petition should be denied on that basis alone" (Br in Opp 9).

Whether HUMMINGBIRD GARDEN is a contestable or incontestable registration is of no legal significance in this case. The record below only established that HUMMINGBIRD GARDEN is registered under the Lanham Act. The word "incontestable" was inadvertently used in the Petition. However, the controlling section of the Lanham Act is 33(b)(4), 15 U.S.C. § 1115(b)(4), which is the statute construed by the Court of Appeals in this case and which was the statute set forth in Question 2 of the Petition.

Federal courts have applied the fair use defense by referring to § 33(b)(4) of the Lanham Act regardless of whether the mark is a common law mark, registered,

---

[1]Contrary to respondent's erroneous statements, (Br in Opp 5,10) there are genuine issues of material fact in dispute as set forth in Question 2 of the Petition and petitioner's briefs in the court of appeals.

contestable or incontestable. In *Venetianaire Corp. of America v. A & P Import Co.*, 429 F.2d 1079, 1081 (2nd Cir. 1970), the court said:

> The 'fair use' defense explicitly described in [15 U.S.C. § 1115(b)(4)] approximates a statutory restatement of the corresponding common law defense (available to [respondent] here by virtue of the provisions of [15 U.S.C.] § 1115(a)), and federal courts frequently refer to the language of that section when the defense of fair use is raised in actions for infringement pursuant to the Lanham Act.

See also *M. B. H. Enterprises, Inc. v. WOKY, Inc.*, 633 F.2d 50, 52, n.2 (7th Cir. 1980) and *Armstrong Cork Co. v. World Carpets, Inc.*, 597 F.2d 496, 500, n.3 (5th Cir. 1979).

The pertinency and necessity for resolution of Question 2 presented in the Petition remains whether the mark is contestable or incontestable. The substantial nature of the question for review by this Court remains undisputed. The most that can be said is that use of the word "incontestable" was harmless error in the Petition. It can be disregarded in the Petition without affecting the issues presented for review by the Court.

CONCLUSION

The decision below fully warrants this Court's review. A writ of certiorari should be issued to the Ninth Circuit Court of Appeals.

Respectfully submitted,

J. Pierre Kolisch
Counsel of Record
David P. Cooper
Charles H. DeVoe
KOLISCH HARTWELL DICKINSON
McCORMACK & HEUSER
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204
(503) 224-6655

Attorneys for Petitioner
White Swan, Ltd.

December 7, 1994